

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET

25X1A

25X1

COUNTRY	Hungary	REPORT NO.	[REDACTED]
SUBJECT	Independent Farming and Agricultural Cooperatives 25X1	DATE DISTR.	13 May 1953
		NO. OF PAGES	8
		REQUIREMENT NO.	[REDACTED] 25X1
		REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

25X1X

1. The unit of land area measurement still used in Hungary [REDACTED] was the traditional "hold". Two classifications of this measurement, based on location and configuration of the land complex were:
  - a. Cadastral hold (Katasztralis hold), comprising an area of 3,200 sq. m.
  - b. Hungarian hold (Magyar hold) or small hold, comprising an area of 2,400 sq. m.

All taxes were computed on the basis of a cadastral hold.
2. The agricultural policy of the Communist Hungarian government was based on the principle of a centralized, state-owned and state-directed agricultural enterprise. The first step in the implementation of this policy was taken in 1945 with the confiscation and nationalization of all land formerly belonging to the Crown, the Church, and the nobility, including all latifundia, even to 100-hold complexes. In conformity with the slogan "The land belongs to those who work it", the new government distributed this land to landless farm workers, small and medium landowners, partisans and supporters of partisans in the struggle for liberation from the Nazis. Some of the confiscated land was retained for State farm lands.

SECRET

25X1

STATE	#X	ARMY	#X	NAVY	#X	AIR	#X	FBI		AEC		ORR Ev		[REDACTED]
-------	----	------	----	------	----	-----	----	-----	--	-----	--	--------	--	------------

SECRET

-2-

25X1

3. As the second step in carrying out its principle of centralized agriculture, in 1949-1950 the Communist government reorganized land distribution by creating State Farms and introducing Agricultural Growers' Cooperatives as a means of reducing the number of independent farmers and with the ultimate aim of reducing all farming to State farming. Many farmers who had been given land as their own in 1945 were keenly disappointed when the government took away their farms in 1949 to incorporate them into the new system.

25X1X 4.

[redacted] about 60% of the population was engaged in farming. Approximately half of this percentage were independent farmers and half belonged to some kind of organized farmers' cooperative or State Farm. A breakdown according to land and farmers belonging to State Farms, Agricultural Growers' Cooperatives, and independent farmers is as follows: about 50% of the land in Hungary belonged to the 50% of the farmers who remained independent; about 20% of the land and 15% of the farmers belonged to Agricultural Growers' Cooperatives; about 30% of the land and 35% of the farmers belonged to State Farms.

#### Independent Farmers

5. Independent farmers (magángazdálkodó) in Hungary theoretically could own up to 100 holds of land, but in practice the maximum was 50 holds. The average land of an independent farmer was under 20 holds; holdings larger than that fell into the kulak category. An independent farmer possessing 10 holds had to pay taxes of 200 forints per hold, about 100 forints on his house, 600 forints on a pair of horses, and 200 forints on a yoke of oxen. The tax on horses was raised in March 1952 to 1,800 forints and the tax on oxen was raised at the same time to 1,000 forints. The 10-hold independent farmer had to make deliveries in kind as follows, and also in wine if he had vineyards:

200 kg. of wheat per hold planted

150 kg. of barley per hold planted

100 kg. of oats per hold planted

180 kg. of rye per hold planted

500 kg. of corn per hold planted

500 kg. of potatoes per hold planted

70 kg. of pork (the pig must not weigh less than 110 kg.)

130 kg. of beef (the animal must not weigh less than 350 kg.)

15 kg. of poultry

800 eggs

6. All deliveries made to the State in kind were according to rigid specifications for size and weight and, where animals were involved, often the age. If a farmer did not have enough produce, he had to purchase it on the black market at prices often 1,000% higher than he would be paid by the State. I do not know of any case where grain or produce deliveries to the State constituted the tax levied on the farmer, which always was paid in currency. To the best of my knowledge all payments to farmers for grain deliveries were made in currency. The only case I know of where the full amount was not paid was one in which back taxes owed by the farmer were deducted.

SECRET

SECRET

25X1A

25X1

-3-

7. Kulaks were any independent farmers who employed labor, and generally who owned more than 20 holds of land. Taxes and delivery requirements for them were twice as high as for other independent farmers. Every effort was made by the government to eliminate the kulaks.

[redacted] the RFE broadcasts that in July 1952 approximately 2,000 kulaks were deported to Hortobagy region from various parts of Hungary. Causes for deportation were given as anti-regime statements, infraction of some law, poor production. [redacted]

25X1X

8. About half of the farmers in Hungary remained reluctant to join cooperatives unless absolutely forced to through confiscation of their property by means of excessive taxation. I think the farmers who refused to join cooperatives tried to maintain themselves in the hope that a war might come which would free them from the oppression of the Workers' Party regime. However, they were gradually losing their battle. This was especially conspicuous in 1951, when a large number gave in. As a result of the deportation of kulaks in the summer of 1952, mentioned above, even larger numbers of farmers were expected to yield to the pressure. I do not believe, however, that all independent farmers and kulaks will be eliminated because they serve as the whipping boys for the Communists and an invaluable excuse for failures in the system.

9. In pressuring independent farmers into either State Farms or Agricultural Growers' Associations, Workers' Party agitators emphasized reduced taxation on one hand and the constantly increasing delivery demands on the other, in addition to the threat of deportation for anti-regime attitude for farmers who did not grow enough crops. Coercion took various economic, political and judicial forms. Farmers who could not meet the high deliveries of grain and livestock set by the State were arrested and charged with sabotage. Farmers unable to pay the fine demanded for this offense received prison sentences. A farmer was liable to receive a three month sentence if he was unable to turn in the required number of eggs, even if he lacked only a few of his quota. [redacted]

25X1

25X1X

[redacted] an 85 year old resident of Aggtelek, was sentenced to six months in prison for failure to surrender his complete compulsory delivery of pork, although he had delivered all except 10 kilos. His sentence was reduced to three months because of his age. Political coercion was used to force kulaks (who were not accepted in cooperatives because they were class enemies) out of their land. One method of getting kulak holdings was to start a cooperative in which the land was to be in one large block instead of comprised of the scattered holdings of the peasants joining the cooperative. The good land of a kulak was taken over to make this possible and the kulak was given land elsewhere, always of inferior quality. It was a foregone conclusion that the land he got in place of his own could not meet the required grain deliveries and therefore he would lose his land and ultimately be interned. Kulaks and independent farmers were not authorized to purchase tractors and other mechanized farm equipment. As a matter of fact, if they owned such equipment the State took it away from them. [redacted]

25X1X

25X1X

[redacted] who lived in Fuzesabony 4745N-2025E7, and who owned 25 holds of land. [redacted] he expressed concern for his future. Previously [redacted] had owned considerable mechanical farm equipment and in 1949 had been obliged to surrender his tractor and other equipment to a local cooperative farm to which

SECRET

SECRET

-4-

25X1

he had been refused membership. He received no compensation for his tractor other than a requisition receipt. Independent farmers were also fined very heavily for slight infractions of the law. A fine was doubled for the second offense, tripled for the third, etc. If the farmer could not pay the fine, he was taken into custody and imprisoned, and obliged to work on a state-owned property without pay.

#### State Farms

10. All State Farms (Állami Gazdaságok) and forests in Hungary were controlled by the Ministry of Farming and Forestry (Mezőe és Erdőgazdaságok Miniszteriuma), Alkotmány utca 12, Budapest.
11. The land complex of farm land and forests comprising a State Farm could consist of a few thousand holds to 200,000 holds, and could include several villages. Each State Farm was an independent farming community with its own administration, including such things as an agricultural machinery center, dairies, a stock raising division, a poultry division, grocery stores, taverns, a physician, and police guard. A typical example of the administration of a State Farm was the administration at the Putnok State Farm Center (Putnoki Államgazdasági Központ), which was comprised of four or five communities:
  - a. State Farm Manager (Állami Mezőgazdasági Vezető), who was responsible for the entire operation of the State Farm.
  - b. An agronomist, who advised on the problems of farming and crops.
  - c. Party Secretary of the Hungarian Workers' Party, who was responsible for ideological propaganda on the State Farm, and all Party matters.
  - d. An official responsible for norm fulfillment (Norma Felelős).
  - e. Paymaster (Bér Elszámoló).
  - f. Tractor Station Manager (Traktorállomás Vezető), who was responsible for the tractor park. A Tractor Station could have 15 tractors or more. Tractors were imported from the Soviet Union, and many were not in usable condition.
  - g. Livestock raising manager (Állat-tenyésztségi Felelős), who was responsible for the raising of livestock.
  - h. Official responsible for the growing of crops (Termelés felelős).
  - i. State Farm stores manager (Uezlet vezető), responsible for State Farm grocery, clothing, and spirits stores.
  - j. Police guard post (Rendőrőrs), responsible for public order and peace.
12. In order to show the independent farming population the advantages of being an agricultural worker on a State Farm, the State did everything to make such positions desirable. State Farm workers were given the extra social prestige of being called State Farm Workers (Államgazdasági Dolgozó) instead of peasants (paraszt), while farmers in agricultural cooperatives were called peasants (Mezőgazdasági Paraszt). This social distinction carried considerable psychological weight among the rural population. State Farm workers were supposed to belong to the Hungarian Workers' Party (Magyar Dolgozók Pártja) and therefore had the privilege of being selected for outstanding work performance as model workers.

SECRET

SECRET

25X1A

25X1

-5-

This entailed much publicity, an award, and a vacation at State expense. State Farm workers fared better financially than industrial workers. On the basis of work unit norms they made 700-800 forints per month, working eight hours a day, 48 hours a week, with a day off (which seldom fell on Sunday). During the peak of seasonal work, farm workers could earn as much as a total of 1,500-2000 forints per month for above-norm production. Farm workers were paid twice a month. They were entitled to a three-week paid vacation per year. They also had the advantage of being able to buy necessities at State Farm stores at reduced prices. Furthermore, they did not pay taxes. (The only contribution in delivery they had to make was in pig fat if they fattened a pig at home.) However, they were not allowed to keep a cow.

13. When a State Farm worker traveled away from his place of work he carried for his identification a Laborer's Certificate (Munkai-gazolvány), a Certificate of Residence (Lakhatósági Igazolvány) and his Reservist's Service Record Book (Tartalékos Katona Koenyv). The Certificate of Residence was issued to the worker by his village council (Koezségi Tanacs), the Laborer's Certificate was issued by the manager of the State Farm. The Reservist's Service Record Book was issued by his Regional Draft and Induction Center (Katonai Kiegészítő és Bevonulási Központ) upon his return home after completion of military service.

25X1

14.

[redacted] State Farms (there are others):

a. Borsod Megye (Borsod County):

Ragály State Farm (Ragályi Állami Gazdaság) -- 12,000 holds including forest and meadow land.

Putnok State Farm (Putnoki Allami Gazdasag) -- 25,000 holds.

b. Heves Megye:

Eger State Farm (Egri Állami Gazdaság) -- 200,000 holds.

Mezoekoevesd State Farm (Mezoekoevesdi Állami Gazdaság) -- 12,000 holds.

Hatvan State Farm (Hatvani Állami Gazdaság) -- 20,000 holds.

Gyoengyoes State Farm (Gyoengyoesi Állami Gazdaság).

c. Gyoer Komárom Megye:

Kisbér State Farm (Kisbéri Állami Gazdaság)

d. Veszprém Megye:

Zirc State Farm (Zirci Állami Gazdaság) -- former Church lands.

e. Jásznaagykunszolnok Megye:

Kelebia State Farm (Kelebiai Állami Gazdaság) -- former Crown lands.

Karcag State Farm (Karcagi Állami Gazdasag)

Turkeve City, Agricultural Growers' Cooperative (Turkeve Mezoegazdasagi Termelőszövetkezeti Város)

Toeroekszentmiklos City, Agricultural Growers' Cooperative (Toeroekszentmiklos Mezoegazdasagi Termelőszövetkezeti Város).

SECRET

SECRET

-6-

25X1

## f. Békés Megye:

Orosháza State Farm (Orosházai Állami Gazdaság).

Békéscsaba State Farm (Békéscsabai Állami Gazdaság).

## g. Hajdu Megye:

Debrecen State Farm (Debreceni Állami Gazdaság).

## h. Szabolcs Megye:

Nyiregyháza State Farm (Nyiregyházi Állami Gazdaság)

Nyírbátor State Farm (Nyírbátori Állami Gazdaság)

Agricultural Growers' Associations

15. Aware of the reluctance of the farmers to part with their land, and in order to conceal its final goal of centralizing all agriculture under state management and ownership, the Hungarian Government devised as intermediary steps Agricultural Growers' Associations (Mezoegazdasagi Termeloe Szovetkezet) which independent farmers were urged to join. All Agricultural Growers' Associations were under the administration of the Ministry of Agriculture (Foeldművelesuegyi Miniszterium), Kossuth ter, Budapest. The smallest unit of the Agricultural Growers' Association was the Agricultural Growers' Association Group, which consisted of six or seven independent farmers in a village. The village group was subordinate to the District Agricultural Growers' Association Center (Járási Termeloe Szovetkezeti Koezpont), and this in turn was subordinate to the County Agricultural Growers' Center (Megyei Termeloe Szovetkezeti Koezpont). The main body of the organization was the State Agricultural Growers' Association (Orszagos Termeloe Szovetkezeti Koezpont), in Budapest.

The First Type of Agricultural Growers' Association Group

16. The first type (Elsoe Tipus) of Agricultural Growers' Association was an Agricultural Growers' Association Group (Mezoegazdasagi Termeloeszovetkezeti Csoport -- TSZCS), in which a few farmers pooled, without losing possession, their land, animals and agricultural tools on a voluntary basis for the purpose of working their land collectively and distributing the produce according to their individual shares of the means of production. Only small and medium landowners were allowed to join this type. (A small holder (kisgazda) possessed up to 10 holds of land; a medium holder (koezpgazda) possessed up to 20 holds of land.) The size of the association was limited to not over 120 holds. Members of this type of association administered their own affairs through a chairman.
17. The advantages for farmers in this type of cooperative were: a 20% reduction in their delivery quotas and taxes; a loan for the term of one year without interest (if unable to fulfil the delivery quota); their stock was not taken away from them by the State when they fell short of quota deliveries.
18. The procedure on this type of collective farm after the crops had been gathered was as follows:

Quotas for delivery to the State were taken out.

Seed grain was deducted.

Produce was divided according to the number of holds each member had in the collective (holdszamutani elosztas).

The crop was divided according to the work unit (munka egység) of individual members (munkaegységi elosztas).

SECRET

SECRET

25X1

-7-

19. Each member of such an association had a Delivery Quota Booklet (*Beszolgáltatási Koenyvecske*), in which a record of all his deliveries was kept. The standard delivery quotas in some items for 1951-1952, from which members of the Type One association received 20% deduction, were as follows:

Wheat -- 200 kg. per each cadastral hold seeded by wheat.

Barley -- 180 kg. per each cadastral hold seeded by barley.

Oats -- 100 kg. per each cadastral hold seeded by oats.

Corn on cob -- 500 kg. per each cadastral hold seeded.

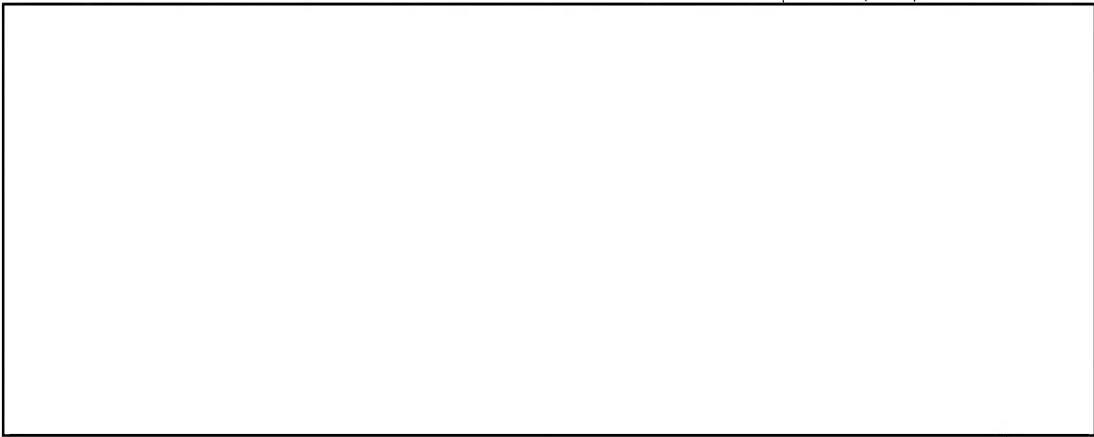
Potatoes -- 500 kg. per each cadastral hold seeded.

I do not know the delivery quota for hay and straw. Other deliveries were made in beef, pork, milk, poultry, eggs, and fat from each fattened pig.

20. Taxes, payable to the State in kind, were paid from a common pool of produce and livestock. Taxes on the houses of members of Type One associations were paid in money, according to the size of the house. There was also a money tax amounting to 200 forints per hold of land, 600 forints for a pair of horses, 200 forints for a yoke of oxen. In March 1952 increases in taxes were announced as follows: tax on houses to be increased four-fold, on land four-fold, on horses three-fold, and on oxen five-fold. See Paragraph 17 above

#### The Second Type of Agricultural Growers' Association Group

21. The second type of Agricultural Growers' Association Group (*Masodik Tipusu Csoport*) was composed of small and medium landholders and landless peasants. The average size was 120-200 holds. The second type of association was administered by a chairman (*elnoek*), a paymaster, and an official responsible for the fulfillment of work norms. Because the administration and organization of this type was much closer to the State Farm type of organization, members were entitled to more benefits from the State than members of the first type. For example, the cooperative was entitled to a five-year term loan without interest. The members of this cooperative were paid in money and in kind according to the work unit. Members gave up possession of their land, animals and agricultural implements to the cooperative. The maximum personal property a member was allowed to retain was one hold for a garden plot, his house, and one cow. He paid taxes on the house on the average of 200 forints per year, and 200 forints per year on the one hold of land. He had to deliver 400 liters of milk from his cow. If the cow had a calf, it had to be sold to the State when it matured.

- 22.
- 

25X1

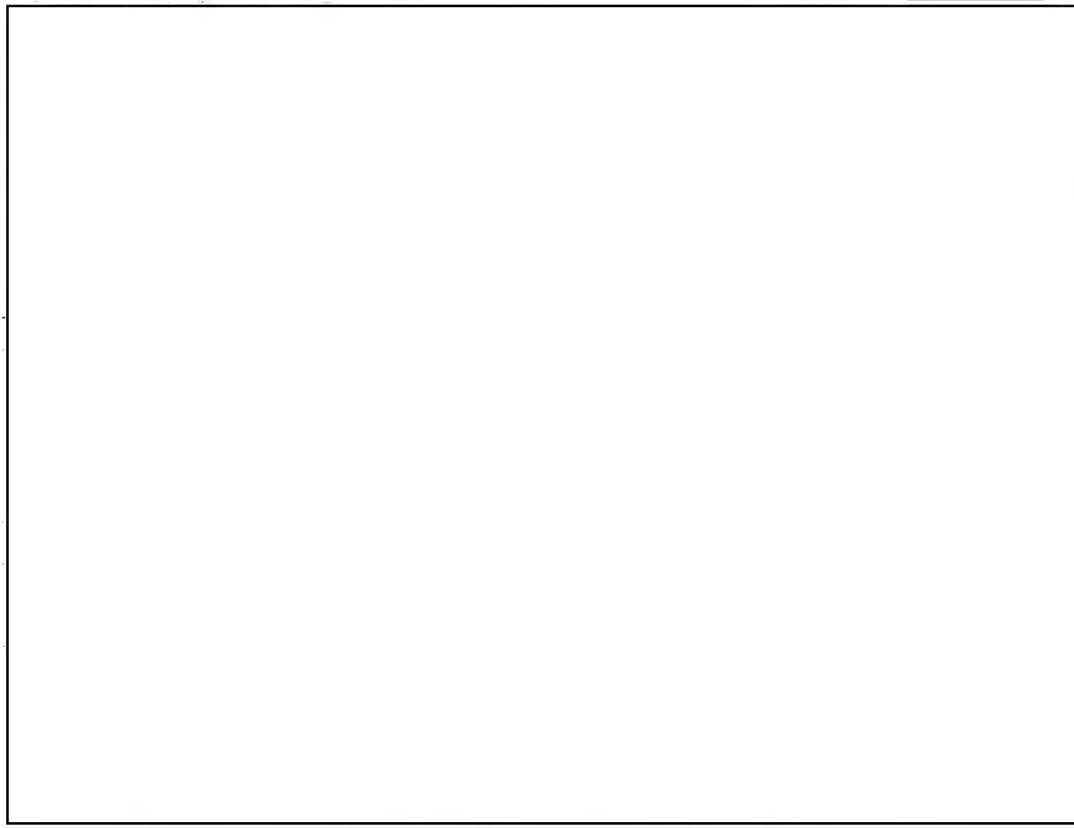
SECRET

25X1

SECRET

-8-

25X1



The Third Type of Agricultural Growers' Association Group (Harmadik  
Tipusu Mezoegazdasagi Termeloeszovetkezeti Csoport)

23. This was an agricultural cooperative closely resembling the State Farm. The difference between this cooperative and the second type of cooperative was that the members did not own their houses or cows nor land for garden plots, but used all these things on loan. The workers got better pay according to work unit norm and they paid no taxes. This type of cooperative was composed mostly of small farmers and landless farmers.

SECRET